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S E C R E T SECTION 01 OF 03 MANAGUA 002246

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SUBJECT: REAL OPPOSITION, OR AN END TO CHECKS AND BALANCES?

REF: MANAGUA 2185

Classified By: Ambassador Paul Trivelli, reason 1.4 (b) and (d)

Summary

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11. (C) Some members of the Liberal Constitutional Party (PLC) appear to be on the verge of joining forces with the pro-democracy Liberal Alliance of Nicaragua (ALN) party, headed by Eduardo Montealegre, despite that fact that under its leader, former President and convicted felon Arnoldo Aleman, the PLC provides support to the Ortega government. We have obtained a draft copy of a "Manifesto" that senior members of both parties plan to release at a press conference on October 4, announcing the creation of a new "National Unity Alliance." At the same time, Aleman has empowered a group of his loyal PLC supporters to negotiate with the Sandinista Front for National Liberation (FSLN) a plan for constitutional reform that would convert Nicaragua's presidential system into a parliamentary democracy. The intent of this new "Pacto" between Aleman and Ortega is to find a way to neutralize the current, at least theoretical, checks and balances on presidential power and keep Ortega in charge after his term of office expires in 2011. Post believes that the October 4 release of the democratic "Manifesto" is an important and positive step towards a brighter democratic future in Nicaragua, but the opposing forces of caudillismo, led by Ortega and Aleman, will do their utmost to stymie this development. End summary.

National Unity at the Cost of PLC Division?

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12. (C) An up-beat Eduardo Montealegre told the Ambassador on September 26 that the process of "unity" talks with members of the PLC was progressing well. In addition to a number of the smaller Nicaraguan opposition parties, Montealegre named several prominent PLC members who were participating in the talks, including: former Vice-President and Presidential candidate Jose Rizo, former PLC Party Chairman Jose Antonio Alvarado, Chairman of the National Assembly Defense Committee Enrique Quinonez, and Chief PLC Whip Maximino Rodriguez. These talks appear to have been reasonably successful, and we have obtained a copy of the document the group plans to release on October 4, entitled a "Manifesto to the Nation - Unity for Nicaragua."

13. (C) The "Manifesto" includes broad language about overcoming personal and sectarian interests to protect democratic principles. It specifically cites as a threat the attempts to perpetuate the current Ortega regime. The

document also notes the irresponsible actions of President Ortega in his speeches and in his goal of allying Nicaragua with undemocratic regimes. To combat these dangers and keep Nicaragua on a democratic path, the "Manifiesto" promises to establish a "National Unity Alliance." One of the stated objectives of this "Unity Alliance" would be to establish procedures to identify candidates for the November 2008 municipal elections.

14. (C) However, the leading PLC members who are negotiating with the ALN are not representing their party. Rodriguez made clear to us on October 1 that he and his party colleagues were engaged in these discussions with the ALN on an individual basis, because of personal conviction, not as representatives of the PLC. In fact, in response to public disclosure of Rizo's and Alvarado's involvement in these discussions, Aleman publicly denounced Rizo on October 1. According to Aleman, the PLC is not kicking Rizo and Alvarado out of the party; rather they are "automatically self-excluding" themselves. Aleman also told the press that the PLC is not threatened with divisions.

What We Need is a Prime Minister?

15. (C) Montealegre's greatest preoccupation when he met with the Ambassador was not the personal attacks against him over the CENI issue, nor the internal arguments among the ALN's fractious group of Deputies (reftel). Montealegre's main concern was the news that Aleman was negotiating with Ortega on proposed constitutional reforms. In the September 23 edition of the weekly journal "Confidential," Supreme Electoral Council Magistrate Rene Herrera, a close confidant of Aleman who played an important part in negotiating previous Aleman-Ortega deals, leaked to the press that there were ongoing negotiations focused on converting Nicaragua into a parliamentary democracy.

16. (C) The main intent of these reforms appears to be the creation of a Prime Minister position. Montealegre told the Ambassador that the fact that the National Assembly showed some muscle to stop the President's effort to create Citizen's Power Councils (CPCs) was a wake-up call for Ortega about the National Assembly's ability to check presidential power. Montealegre suggested also that since neither Ortega nor Aleman can reasonably expect to serve another presidential term, the creation of Prime Ministerial post could provide them with a vehicle to perpetuate their power.

17. (C) On October 1, Aleman told the press that the he had established a "commission" to consider constitutional reforms and negotiate with the FSLN. The named members of this "commission" include several of Aleman's key political lackeys: Herrera, Supreme Court Justice Ivan Escobar, National Assembly Executive Council Member Wilfredo Navarro, National Assembly Economic Committee Chairman (and former Foreign Minister) Francisco Aguirre and PLC Assembly Deputy Oscar Moncada. Aleman and Ortega are both gearing up their respective political machines to push for constitutional reform. Other political heavyweights, for example, National Assembly President Rene Nunez and Supreme Court Justice Rafael Solis, have been filling the airwaves and national press with their support for a parliamentary system "because it would be closer to the people."

18. (C) Moncada confirmed to us on October 3 that a process of negotiation has begun with FSLN, and acknowledged that the FSLN's goal is to keep Ortega in power. Moncada could not clearly state how constitutional change would benefit the Liberals; his bottom line comment was that it didn't really matter what the constitution looked like in Nicaragua, because it would still be the same small group of governing class elite that was in charge, no matter how the system is organized. He argued that since the FSLN was not going disappear, the point of negotiating with the FSLN was to search for a practical mechanism of coexistence.

19. (C) This talk of constitutional reform causes even

stalwart PLC members some doubt. On September 28, PLC Deputy Carlos Noguera expressed his concern to us that creating a parliamentary system is not a simple tweak to the constitution but a wholesale departure from historical national precedent, a fundamental change in the body politic.

"It's not easy. It's a radical change," he opined. Rodriguez echoed these comments to us, noting that the current Constitution -- written by Ortega in 1987 and subsequently amended -- is flawed and unwieldy, but "now's not the time to change it." Constitutional reform requires a super-majority in the National Assembly of 56 votes (in two successive years), so, for such a vote to succeed, Aleman would need to deliver to Ortega approximately three-quarters of the PLC's National Assembly votes.

Comment

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¶10. (S) The October 4 release of the democratic camp's "Manifesto" may be the start of an important process of peeling away non-Alemanista elements of the PLC in favor of a united democratic opposition. It also would be a meaningful addition if other anti-Pacto forces join this movement, for example the anti-Ortega Sandinista Renovation Movement (MRS).

However, we believe that it is indicative that the PLC members who are talking with Montealegre are freelancers, not acting on behalf of the party. For now, it appears that Aleman continues to hold sway over the PLC party machinery, despite the dissenting grumbles from the PLC political base.

¶11. (S) We agree with Montealegre that a sustained Ortega-Aleman push to change the constitution could represent a real danger. If Aleman can continue to control a sufficient number of PLC members to help Ortega secure the super-majority needed to create a Prime Ministerial post, the Ortega-Aleman power and corruption "Pacto" will continue to hold the balance of power in Nicaragua for many years to come. Our best hope for keeping this from coming to pass will be to watch the development of the new "Unity Alliance" (or whatever the anti-Pacto democratic group decides to call itself) and stand prepared to help as we can.

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